

Patents: The Why and How

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Legal Disclaimer

- The legal information contained in this presentation is offered for patent law educational purposes.
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- The patent law changes frequently. Before relying upon any information contained in this presentation, you should consult with a patent attorney regarding the current state of the law.

Why Patent?

1. Protect a product or process

- Patent grants a limited monopoly

2. Create an asset

- Patents and Applications have value to venture capitalists and banks
- License others to use, make, and/or sell your invention

3. Market advantage

- Advertising

Types of Patents

- **Utility Patent**

- Protects the **functional** aspect of an invention
- Good for 20 years from filing date
- Must be renewed at 4, 8, and 12 years

- **Design Patent**

- Protects the **aesthetic** appearance of an invention
- Good for 14 years from issue date
- No renewal fees

Patent Requirements (1)

- In order to obtain a patent, an invention must be
 - **New** (never been done before), and
 - **Not-Obvious** based on what has been done before

Patent Requirements (2)

- A patent application must be filed within 12 months of
 - The first public disclosure, or
 - The first offer to sell the invention

This requirement is known as the 12 month bar

First Step: Patent Search

- Look for identical or similar devices in patents and published applications
- Gives an idea as to the risk of rejection if an application is filed
- Optional – no requirement to do a search
- Insurance – Answers the question of should a patent application be filed.

Next: Apply for a Utility Patent

- **Provisional Application for Patent**
 - Establishes a Priority Date
 - Valid for 12 months
 - Will not be reviewed or issue as a patent
 - Does not affect patent term
- **Non-Provisional Patent Application**
 - Reviewed by Patent and Trademark Office
 - May issue as a patent

Provisional Application

- Requires
 - **Drawings** and
 - A **full written description** of the invention
- Does not require
 - A background section,
 - Claims, or
 - Final drawings

Non-Provisional Patent Application

- Requires
 - Background section
 - Full written description
 - Claims
 - Final Drawings
- Cannot add to application after filing
 - 495,000 applications in 2008
 - 311,000 applications in 2000

http://www.uspto.gov/web/offices/com/annual/2008/oai_05_wlt_02.html

Why File a Provisional App?

- Test the water
 - Protect the invention while marketing
 - Minimize investment and initial cash outlay
- Invention is still being developed
- Running out of time – 12 month bar
- OK to have a delay in getting a patent
 - Examination will not begin until non-provisional application is filed

After Filing

- The Patent Office (PTO) reviews the non-provisional patent application
- Applicant (inventor) must negotiate with PTO examiner for allowance
- If PTO examiner satisfied, the application issues as a patent
 - 44% of applications issued in 2008
 - 72% of applications issued in 2000

After a Patent Issues

- **Term**
 - **Utility Patent:** 20 yrs from filing date
 - **Design Patent:** 14 yrs from issue date
 - No extensions
- **Renewal (Maintenance Fees)**
 - **Utility Patent** has fees payable at the 4, 8, and 12 year mark after issuance
 - **Design Patent** has no renewal fees

Patent Fee Comparison

- **Provisional Patent Application**
 - Preparation by Attorney \$3,500+
 - Total cost (atty + PTO fees) \$3,600+
- **Non-Provisional Patent Application**
 - Preparation by Attorney \$5,500 to 15,000+
 - Total cost (atty + PTO fees) \$7,500 to 17,000+
- **Design Patent Application**
 - Preparation by Attorney \$1,800 to 2,500+
 - Total cost (atty + PTO fees) \$2,500 to 3,500+

Patent Office Fees

- Filing Fee to PTO \$ 462 minimum
- Issue Fee to PTO \$1055

- 4 year renewal \$ 490
- 8 year renewal \$1240
- 12 year renewal \$2055

The above are Small Entity PTO fees for a Utility Patent Application issued as a patent

Patent Strategy

- Should I file for a patent?
 - Business decision
 - Consider Return on Investment (ROI)
- When is the patent desired?
- How strong of a patent do I need?
- How much can I spend on the patent?

Cost, Strength, & Time

